

RENEW Wisconsin

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Comments in Support of Assembly Bill 268 if Amended

June 20, 2006

RENEW Wisconsin, a statewide nonprofit membership organization that promotes policies to increase the development and use of locally available renewable energy sources, supports the intent of Assembly Bill 268.

Without question, current law creates an unnecessary barrier to third-party ownership of renewable energy installations. Among other thing, this bill would allow for-profit companies to install renewable energy systems for non-profit institutions like government buildings. The for-profit companies can take advantage of federal tax credits; non-profit entities cannot.

RENEW respectfully suggests alternative language to the language in the bill to define renewable energy systems as the statutes already define them in s. 196.378(1)(h), a copy of which is attached.

By replacing the language proposed in s. 196.01 (1c), RENEW's suggested language removes the restriction on the capacity of an installation. By not requiring utilities to pay for electricity exported onto their distribution systems, the alternative language discourages oversized renewable energy installations relative to the host customer's load. Under this formulation, neither utilities nor their customers will bear any additional costs from these installations.

Finally, these third-party renewable energy systems would have to comply with the state's interconnection standards (PSC 119), as do customer-owned renewable energy systems under 15 MW.

Language Suggested for AB 268 by RENEW Wisconsin

Replace the definition with: "Renewable energy system" means an installed and operating electric generating system using one or more renewable resources as defined in 196.378(1)(h).

Substitute language: A customer of a public utility may buy electric energy produced by a renewable energy system owned by an entity other than that customer's public utility so long as that public utility is not required to pay for any electricity generated by that renewable energy system that flows onto the public utility's electric distribution system.

All renewable energy systems owned by such an entity shall be subject to the rules and regulations governing the interconnection of electric generating systems to the public utility's electric distribution system, as promulgated by the Public Service Commission.

Testimony of State Representative Steve Wieckert

Assembly Bill 268 – Solar Energy Leasing *Assembly Committee on Biofuels & Sustainable Energy* *300 Northeast – June 20, 2007*

Good morning Chairman Gene Hahn and committee members. I am sorry that I am unable to testify in person before you today, but I thank you for the opportunity to submit my written testimony in support of Assembly Bill 268, which will help encourage and develop the further use of solar energy in Wisconsin.

With the high cost of traditional fossil fuel energy sources, it is more important now than ever before that our state and our country encourage the development of realistic alternative energy sources. Solar power offers tremendous potential. Photovoltaics capture energy from the sun and convert it to electricity. This is a growing area of alternative energy.

In fact, companies are starting to develop and sell solar energy units of various sizes, which can be used to produce power for homes. These solar energy units can also be designed for power used by businesses and other commercial facilities.

Some businesses are hesitant to purchase these new energy systems because they may have to deal with maintaining and repairing this new type of technology. Businesses have indicated that they would be more likely to use solar energy if they could lease a system from the solar energy company and have that company be responsible for the repair and maintenance.

However, if a small alternative energy business sold only the electricity to a home or business even though the equipment was installed exclusively at that home or business that solar company would come under the jurisdiction of the Public Service Commission requiring the approval of rate structures, etc. This excessive red tape acts as a disincentive for the development and advancement of these solar energy systems.

This bill exempts small-scale solar energy units of 25,000 watts or less from regulation by the Public Service Commission. This will allow these small scale operations to be leased out to companies without having to go through an extensive regulatory process. The legislation will help promote the use of solar

electric power for both residential and commercial purposes, reducing our reliance on foreign oil and helping to provide for a cleaner environment.

There have been dramatic advances in renewable energy technology in recent years. Encouraging these new companies to locate in Wisconsin and develop this type of state of the art technology here will also help strengthen Wisconsin's economy and put us on the cutting edge of this expanding industry.

Thank you for your consideration of this very important piece of legislation. Scott of my staff is now available to answer any specific questions the committee may have.



Wisconsin Utilities Association
44 East Mifflin Street, Suite 202
Madison, Wisconsin 53703

To: State Representative Steve Wieckert

From: Bill Skewes, Executive Director
Wisconsin Utilities Association

A handwritten signature in black ink, appearing to be "BS", is written over the name "Bill Skewes".

Re: Concerns Regarding AB 268

Date: June 19, 2007

On behalf of Wisconsin's investor-owned gas and electric utilities, the Wisconsin Utilities Association (WUA) submits the following written comments regarding Assembly Bill 268, relating to creating an exemption from Public Service Commission (PSCW) regulation for persons who provide electricity from certain alternative energy sources.

The bill raises a number of concerns, including:

- a.) Whether the potential electricity producers would be interconnected into the local electric service provider's distribution system and under what standards? Utility linemen working to restore service in both emergency and unplanned outage situations must be aware of all interconnections to the electric distribution system for safety reasons.
- b.) Why the legislation is needed if the customers' demand is greater than the level of generation equipment installed. If the generator never exceeds the electric load of the customer installing it, there is no need for an exemption from PSCW regulation because it's already exempt.
- c.) If the unregulated producers are selling electricity to other customers, who pays for the use of the distribution system?
- d.) Who provides backup service if the producer is not providing consistent levels of electricity and at what level of charges?
- e.) Under the bill, generator owners would seem to be able to do as they please once free of PSCW regulations, but this should not exempt them from having to follow rules established for others by regulatory bodies such as PSCW and DNR.

WUA recognizes the desirability of removing unnecessary barriers to alternative energy generation and welcomes Rep. Wieckert's efforts to assist the state in developing these sources. However, because AB 268 appears to be silent on these and other potential issues, WUA respectfully urges the author to delay executive action until these questions can be addressed through a clarifying substitute amendment and does not support the bill at this time.



March 20, 2007

Representative Steve Wieckert
Wisconsin State Assembly
Madison, WI

Dear Rep. Wieckert:

Clean Wisconsin supports LRB 0706, the bill to exempt certain renewable energy providers from regulation by the Public Service Commission of Wisconsin. We appreciate your efforts to facilitate the siting of this extremely important source of clean energy for our future.

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